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Approved For Release 2003/08/19: CIA-RDP85T00353R000100160006-3

EXCLUSIVE FOR: THE WHITE HOUSE SITUATION ROOM DEPARTMENT OF STATE, Mr. Habib, EYES ONLY

ANNEX

to

The Situation in Indochina No. 3

1. The attitudes of South Vietnam's military leaders will of course be crucial in determining the government's and Thieu's durability. Former prime minister Khiem's actions will also be important. Although there are no reliable indications so far that senior military leaders or Khiem--a former military commander and by rank South Vietnam's senior general--are ready to move against Thieu, the feeling seems to be growing that Thieu should step aside.

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South Vietnam's press director, Nguyen Ngoc Bich, told a US official this morning that reaction to President Thieu's speech yesterday among "many Air Force officers" was one of extreme anger and that there was talk of a "bloody solution" to the removal of Thieu. Bich interpreted these comments to mean that a bombing of the palace or an assassination attempt might be made shortly. claimed that "all armed forces" were now beginning to rally around former Vice President Ky, but that Ky himself was not among those who were plotting violence. Bich also stated that Military Region 3 commander General Toan had been trying unsuccessfully all day to get an appointment with Thieu. Toan reportedly wants to assure Thieu of his personal loyalty but intends nevertheless to ask him to step down for the good of the country.

DOS review(s) completed.

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